

**Testimony of
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Congressional Anti-Terrorist Financing Task Force Forum
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Congresswoman Kelly, and Members of Congress, thank you for inviting me to participate in this forum.

My name is Mark I. Sokolow and I am a partner in the New York law firm of Thacher Proffitt & Wood LLP. But I am not here to today to speak in any professional capacity. I am not an expert on terrorism financing, nor do I speak or read Arabic. My knowledge and experience with extremist Islamic terrorism is a product of personal experience.

Prior to September 11, 2001, my law firm occupied the 38th through 40th floors in the South Tower of the World Trade Center. I was at my desk that Tuesday morning when Al Qaeda terrorists crashed United flight No. 175 into the South Tower. By the grace of God I escaped from my office on 9-11, but three thousand innocent people were not as fortunate. A few months after that terrible day, my wife and I decided to take two of our younger daughters on a family vacation to Israel to visit our oldest daughter who was spending a year in school in Jerusalem. On the last day of our vacation, Sunday, January 27, 2002, my wife Rena and I and my daughters, Jamie and Lauren walked to a shoe store not far from our hotel. We shopped for a little while and bought some shoes and as we exited the store, we were all knocked to the ground by a bomb blast. Wafa Ali Khalil Idris, a female suicide bomber dispatched by the military wing of Fatah, had detonated her explosive belt, killing one man and injuring more than one hundred others, including four members of my family.

I suffered damage to my eardrums; my wife, Rena, was hospitalized for ten days, requiring extensive surgery. It took her five months to walk again. My daughter, Jamie, who was twelve years old at the time, was hospitalized for a week with shrapnel wounds to her face and eye. She has a loss of vision because of a torn iris from glass that had lodged in her eye. Her older sister, Lauren was sixteen at the time, was hospitalized for three days with shrapnel wounds and burns, resulting in permanent scars on her hand and face.

Wafa Idris's family received a payment from the Saudi Committee in Support of the Intifada Al Quds in the form of twenty thousand (20,000) Riyals converted into five thousand three hundred and sixteen dollars and sixteen cents (\$5,316.16). The amount was paid to the family's Arab Bank account and designated with Receipt of Transfer No. 2195593712. I know this in part because the Saudi Committee had until recently its own website: www.alquds-saudi.org. According to the Committee's own website, the Committee opens "a bank account for every entitled [Palestinian] through the Arab Bank

in Palestine.” Up until a few months ago, anyone going onto the website could click through to the names of individual beneficiaries, and find the payment details for Wafa Idris. The URL designation is:

www.alquds-saudi.org/arabic/programs/beneficiaryDetails.asp?id=97020

A copy of the webpage and an English translation have been provided as Exhibit 1 to my written testimony.

The Saudi Committee website elsewhere makes clear that all payments to the so-called “martyrs” are paid through the local branches of Arab Bank. Arab Bank simply cannot claim ignorance as to the administration of the accounts involving these “martyrs.” Wafa Idris has become widely known and admired throughout the Arab World for the fact that she was the first female suicide bomber. She has been revered for years for this fact and the “success” of her efforts. In fact, her notoriety is so pervasive that her picture appeared on the April 5, 2002, cover of *Time* magazine drawing specific attention to her and other suicide bombers. A copy of the cover of the *Time* magazine issue is provided as Exhibit 2 to my written testimony.

On July 2, 2004, six American families filed the case of *Linde v. Arab Bank, Plc*, a first-of-its-kind lawsuit brought in Federal Court in the Eastern District of New York, on behalf of U.S. citizens killed or injured in terrorist attacks in Israel since the start of the so-called Second Intifada in September of 2000 and their survivors and estates. The lawsuit accuses Arab Bank of channeling money to Palestinian terrorist groups and making insurance payments to beneficiaries of suicide bombers and other terrorists. I joined that lawsuit in January of 2005 when I became convinced that Arab Bank had in fact knowingly provided financial services to the family of Wafa Idris.

The OCC Investigation

As you know, following the filing of the original *Linde* case last July, the Office of the Comptroller of the Currency commenced an investigation of Arab Bank’s New York branch at 520 Madison Avenue in Manhattan. Although the Chief Banking Officer submitted an affidavit in the lawsuit swearing that “the Bank is at the forefront of preventing money-laundering and terrorist financing,” the OCC investigation culminated on February 25, 2005 with a Consent Order formally finding that Arab Bank’s New York branch had inadequate controls against money laundering.

As I understand it, the Consent Order effectively closes Arab Bank’s branch operations in the United States and prevents the bank from transferring any further funds in or out of the United States. In light of the “high risk” characteristics of the transfers, the OCC has barred the defendant from handling any wire transfers in the United States or opening any new accounts and effectively closed its New York branch subject to its conversion to an agency.

In August of 2005, the New York branch of Arab Bank was ordered to pay a \$24 million fine to the U.S. Treasury Department for the bank's failure to monitor transactions aimed at funding terror and money laundering.

Policy Implications

After the bombing that injured me and my family, the *New York Post* ran a front page story about the attack with the headline "Mr. Lucky" – a reference to the fact that I survived both 9-11 and the Jerusalem suicide bombing. Despite my injuries and the more serious injuries to my wife and children, we all do in fact consider ourselves extremely lucky. But as long as the financial infrastructure for radical Islamic terrorism remains in place, others will not be as lucky as I have been. The next attack, whether in New York or Washington or Tel Aviv, cannot be prevented as long as extremists have access to the global financial system.

Arab Bank may have been caught violating the provisions of the Bank Secrecy Act, but Congress cannot allow that to be the end of the story. Wafa Idris, the depraved suicide bomber who injured me and my family, didn't act in isolation. She was part of an elaborate support system that fosters extremism and nourishes violence. I believe that the assurance that her family would receive financial support if she conducted a suicide attack made it easier of her to decide to go forward and become a suicide bomber. The public needs to know what the government investigation uncovered.

Arab Bank wants to remain active in world financial markets; it needs access to the U.S. banking system and to US dollars. That access must be predicated on two key pillars:

1. legal accountability for past conduct and
2. clear, effective and transparent measures to prevent the recurrence of its prior conduct

Anything less than a full accounting of what happened will only serve as an invitation to other financial institutions to turn a blind eye to "high risk" activities. The next Wafa Idris may kill more people, may detonate her explosives in London or Los Angeles, or may carry something more lethal than a few pounds of explosives. If you hold Arab Bank accountable, there is no guarantee that you'll prevent that next attack, but every proactive step our government takes diminishes the degree to which we all have to rely upon being "lucky."

Thank you.

Committee Programs

The Beneficiaries

| | |
|--|---------------------|
| Cash Aid program | Program |
| 935068122 | Number |
| Wafa Ali Khalil Idris | Name |
| 1980 | Age |
| West Bank | Region |
| Ramallah | City |
| 27 January 2002 | Event Date |
| Aid program to those who lost their breadwinner | Event type |
| Eleventh | Recurrence |
| 20,000.00 | Sum |
| 2195593712 | Receipt of transfer |
| Wounded in her residence following heavy firing on the region. | Details |

برامج اللجنة

المستفيدون

| | | |
|---|---|-----------------|
| • | برنامج المساعدات النقدية | البرنامج |
| • | 935068122 | الرقم |
| | وفاء علي خليل ادريس | الاسم |
| | 1980 | العمر |
| | الضفة الغربية | المنطقة |
| | رام الله | المدينة |
| | 27-يناير-2002 | تاريخ الحدث |
| | برنامج مساعدة من فقد معيلاً | نوع الحدث |
| | الحادية عشر | الدفعة |
| | 20,000.00 | المبلغ |
| | 2195593712 | استمارة التحويل |
| | اطعت في منزلها بعد اطلاق نار كثيف على المنطقة | تفاصيل |

رجوع
يبحث جديد

APRIL 15, 2002

TIME

SUICIDE BOMBERS

Why young Palestinians like Wafa Idris are willing to sacrifice their lives to kill Israelis



She was 28 when the bomb she carried killed herself and an 81-year-old man in Jerusalem

www.timeeurope.com AOL Keyword: TIME